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Mortgage Rates Head Back Toward Recent Highs

Mortgage rates were mixed today, with most lenders offering slightly better terms this morning compared to yesterday's mid-day levels. Things took a turn for the worse in the afternoon as the stock market recovery pulled money back out of bonds. Lower demand for bonds results in rates moving higher, all else being equal.

With so much focus on stocks over the past two days, the following **bears repeating**: stocks and bonds are not reliable predictors of each other's movement. Yes, we definitely saw stocks have a clear influence on bonds and rates yesterday, but that isn't always going to be the case. It's worth noting that 10yr bond futures prices didn't move any more than 1.5% in response to more than a 7% drop in S&P futures.

In other words, rates were **very reluctant** to move lower yesterday. The implication is that they'll be perfectly willing to jump right back up to yesterday morning's levels, even if stocks aren't quite there yet. Any tactical opportunity to float has passed.

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National Average Mortgage Rates



	Rate	Change	Points
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Mortgage News Daily

30 Yr. Fixed	7.03%	-0.05	0.00
15 Yr. Fixed	6.44%	-0.01	0.00
30 Yr. FHA	6.50%	-0.05	0.00
30 Yr. Jumbo	7.24%	-0.01	0.00
5/1 ARM	7.05%	-0.02	0.00

Freddie Mac

30 Yr. Fixed	6.95%	+0.09	0.00
15 Yr. Fixed	6.25%	+0.09	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	7.03%	+0.09	0.62
15 Yr. Fixed	6.56%	+0.09	0.54
30 Yr. FHA	6.90%	+0.11	0.95
30 Yr. Jumbo	7.11%	-0.01	0.50
5/1 ARM	6.38%	+0.11	0.54

Rates as of: 7/5

MBS and Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.61	+0.22
MBS GNMA 6.0	100.74	+0.21
10 YR Treasury	4.2818	-0.0784
30 YR Treasury	4.4857	-0.0440

Pricing as of: 7/5 5:59PM EST

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With 27+ years of expertise in mortgage banking you can be confident in my knowledge and abilities to deliver a seamless loan transaction while providing personalized service.

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